

IRADIMED CORPORATION Announces Second Quarter 2018 Financial Results

- Reports second quarter 2018 revenue of \$7.4 million
- Reports second quarter 2018 GAAP diluted EPS of \$0.11 and non-GAAP diluted EPS of \$0.14
- Increases full year 2018 revenue, GAAP and non-GAAP diluted earnings guidance

WINTER SPRINGS, Fla., July 31, 2018 — IRADIMED CORPORATION (NASDAQ:IRMD), a leader in the development of innovative magnetic resonance imaging (“MRI”) medical devices and the only known provider of a non-magnetic intravenous (“IV”) infusion pump system that is designed to be safe for use during MRI procedures, today announced financial results for the three and six months ended June 30, 2018.

For the second quarter ended June 30, 2018, the Company reported revenue of \$7.4 million compared to \$5.5 million for the second quarter 2017. Net income was \$1.4 million, or \$0.11 per diluted share, compared to a net income of \$0.4 million, or \$0.03 per diluted share for the second quarter 2017. Gross profit margin was 76.8 percent, compared to 77.7 percent for the second quarter 2017. Domestic sales were 77.7 percent of total revenue, compared to 87.7 percent for the second quarter 2017. Revenue from sales of our patient vital signs monitor was \$1.5 million for the second quarter 2018 compared to \$0.3 million for the second quarter 2017.

Non-GAAP net income was \$1.7 million for the quarter ended June 30, 2018, which excludes \$0.3 million of stock compensation expense, net of tax. Non-GAAP net income for the quarter ended June 30, 2017 was \$0.7 million, which excludes \$0.3 million of stock compensation expense, net of tax. Non-GAAP earnings per diluted share was \$0.14, compared to \$0.06 for the second quarter 2017. Free cash flow was \$1.5 million, compared to \$0.1 million for the second quarter 2017.

For the six months ended June 30, 2018, the Company reported revenue of \$14.5 million compared to \$10.7 million for the same period in 2017. Net income was \$2.2 million, or \$0.18 per diluted share, compared to a net income of \$0.1 million, or \$0.01 per diluted share for the same period in 2017. Gross profit margin was 76.5 percent, compared to 75.5 percent for the same period in 2017. Domestic sales were 80.5 percent of total revenue, compared to 85.7 percent for the same period in 2017. Revenue from sales of our patient vital signs monitor was \$2.7 million for the six months ended June 30, 2018, compared to \$0.7 million for the same period in 2017.

Non-GAAP net income was \$2.8 million for the six months ended June 30, 2018, which excludes \$0.6 million of stock compensation expense, net of tax. Non-GAAP net income for the same period in 2017 was \$0.7 million, which excludes \$0.5 million of stock compensation

expense, net of tax. Non-GAAP earnings per diluted share for the six months ended June 30, 2018 was \$0.24, compared to \$0.06 for the same period in 2017. Free cash flow was \$3.0 million for the six months ended June 30, 2018, compared to \$(0.3) million for the same period in 2017.

As of June 30, 2018, the Company had combined cash and investments of \$29.5 million.

“I am very satisfied with these results as they continue to show strength in the demand for our products and the earnings potential that exists within our business,” said Roger Susi, President and Chief Executive Officer of the Company.

Financial Guidance

For the third quarter 2018, the Company expects to report revenue of \$7.4 million to \$7.5 million, GAAP diluted earnings per share of \$0.07 to \$0.08 and non-GAAP diluted earnings per share of \$0.09 to \$0.10.

The Company increased its revenue guidance for the full year 2018 and now expects to report revenue of \$29.5 million to \$30.1 million. The Company previously expected full year 2018 revenue of \$29.3 million to \$30.0 million.

The Company also increased its earnings guidance for the full year 2018 and now expects to report GAAP diluted earnings per share of \$0.35 to \$0.37 and non-GAAP diluted earnings per share of \$0.45 to \$0.47. The Company previously expected full year 2018 GAAP diluted earnings per share of \$0.30 to \$0.33 and non-GAAP diluted earnings per share of \$0.40 to \$0.43.

The Company’s non-GAAP earnings per share guidance excludes stock-based compensation expense, net of tax, which the Company expects to be approximately \$1.3 million and \$0.3 million for the full year and third quarter 2018, respectively.

Use of non-GAAP Financial Measures

The Company believes the use of non-GAAP net income, free cash flow and infrequent income tax items are helpful to our investors. These measures, which we refer to as our non-GAAP financial measures, are not prepared in accordance with GAAP. We calculate non-GAAP net income as net income excluding stock-based compensation expense, net of tax. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company’s non-cash expenses, we believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for meaningful comparisons between our operating results from period to period. We calculate free cash flow as net cash provided by operating activities less net cash used in investing activities for purchases of property and equipment. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about

the amount of cash generated by our business that can be used for strategic opportunities, including investing in our business, making strategic acquisitions, strengthening our balance sheet and returning cash to our shareholders via share repurchases. Infrequent tax items are considered based on their nature and are excluded from the provision for income taxes as these costs or benefits are not indicative of our normal or future provision for income taxes. All of our non-GAAP financial measures are important tools for financial and operational decision making and for evaluating our operating results.

A reconciliation of the non-GAAP financial measures used in this release to the most comparable U.S. GAAP measures for the respective periods can be found in the table later in this release immediately following the condensed statements of cash flows. **These non-GAAP financial measures should not be considered in isolation or as a substitute for a measure of the Company's operating performance or liquidity prepared in accordance with U.S. GAAP and are not indicative of net income or cash provided by operating activities.**

Conference Call

IRADIMED has scheduled a conference call to discuss this announcement beginning at 11:00 a.m. Eastern Time today, July 31, 2018. Individuals interested in listening to the conference call may do so by dialing 1-844-413-1781 for domestic callers, or 1-716-247-5767 for international callers, and entering the reservation code 2194419.

The conference call will also be available real-time via the internet at <http://www.iradimed.com/en-us/investors/events/>. A recording of the call will be available on the Company's website following the completion of the call.

About IRADIMED CORPORATION

IRADIMED CORPORATION is a leader in the development of innovative magnetic resonance imaging ("MRI") compatible medical devices. We are the only known provider of a non-magnetic intravenous ("IV") infusion pump system that is specifically designed to be safe for use during MRI procedures. We were the first to develop an infusion delivery system that largely eliminates many of the dangers and problems present during MRI procedures. Standard infusion pumps contain magnetic and electronic components which can create radio frequency interference and are dangerous to operate in the presence of the powerful magnet that drives an MRI system. Our patented MRidium® MRI compatible IV infusion pump system has been designed with a non-magnetic ultrasonic motor, uniquely-designed non-ferrous parts and other special features to safely and predictably deliver anesthesia and other IV fluids during various MRI procedures. Our pump solution provides a seamless approach that enables accurate, safe and dependable fluid delivery before, during and after an MRI scan, which is important to critically-ill patients who cannot be removed from their vital medications, and children and infants who must generally be sedated to remain immobile

during an MRI scan.

Our 3880 MRI compatible patient vital signs monitoring system has been designed with non-magnetic components and other special features to safely and accurately monitor a patient's vital signs during various MRI procedures. The IRADIMED 3880 system operates dependably in magnetic fields up to 30,000 gauss, which means it can operate virtually anywhere in the MRI scanner room. The IRADIMED 3880 has a compact, lightweight design allowing it to travel with the patient from their critical care unit, to the MRI and back, resulting in increased patient safety through uninterrupted vital signs monitoring and decreasing the amount of time critically ill patients are away from critical care units. The features of the IRADIMED 3880 include: wireless ECG with dynamic gradient filtering; wireless SpO2 using Masimo® algorithms; non-magnetic respiratory CO2; non-invasive blood pressure; patient temperature, and; optional advanced multi-gas anesthetic agent unit featuring continuous Minimum Alveolar Concentration measurements. The IRADIMED 3880 MRI compatible patient vital signs monitoring system has an easy-to-use design and allows for the effective communication of patient vital signs information to clinicians.

For more information please visit www.iradimed.com.

Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Act of 1995, particularly statements regarding our expectations, beliefs, plans, intentions, future operations, financial condition and prospects, and business strategies. These statements relate to future events or our future financial performance or condition and involve unknown risks, uncertainties and other factors that could cause our actual results, level of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. The risks and uncertainties referred to above include, but are not limited to, risks associated with the Company's ability to receive FDA 510(k) clearance for new products; unexpected costs, delays or diversion of management's attention associated with the design, manufacture or sale of new products; the Company's ability to implement successful sales techniques for existing and future products and evaluate the effectiveness of its sales techniques; additional actions by or requests from the FDA; our significant reliance on a single product; unexpected costs, expenses and diversion of management attention resulting from the FDA warning letter; potential disruptions in our limited supply chain for our products; a reduction in international distribution; actions of the FDA or other regulatory bodies that could delay, limit or suspend product development, manufacturing or sales; the effect of recalls, patient adverse events or deaths on our business; difficulties or delays in the development, production, manufacturing and marketing of new or existing products and services; changes in laws and regulations or in the interpretation or application of laws or regulations.

Further information on these and other factors that could affect the Company's financial results is included in filings we make with the Securities and Exchange Commission from time to time. All forward-looking statements are based on information available to us on the date hereof, and we assume no obligation to update forward-looking statements.

IRADIMED CORPORATION
CONDENSED BALANCE SHEETS

	June 30, 2018	December 31, 2017
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	21,330,879	\$ 18,205,976
Accounts receivable, net	3,981,688	3,778,929
Investments	8,172,009	8,135,123
Inventory, net	4,433,934	4,210,846
Prepaid expenses and other current assets	746,153	648,881
Prepaid income taxes	110,927	127,855
Total current assets	38,775,590	35,107,610
Property and equipment, net	1,888,831	1,868,851
Intangible assets, net	847,696	885,502
Deferred income taxes, net	1,130,288	950,375
Other assets	189,040	200,196
Total assets	42,831,445	\$ 39,012,534
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 735,314	\$ 656,723
Accrued payroll and benefits	1,336,390	1,512,336
Other accrued taxes	62,692	109,502
Warranty reserve	60,276	60,538
Deferred revenue	1,902,727	1,617,571
Other current liability	108,571	108,571
Accrued income taxes	434,887	12,731
Total current liabilities	4,640,857	4,077,972
Deferred revenue	2,023,574	2,003,685
Total liabilities	6,664,431	6,081,657
Stockholders' equity:		
Common stock	1,067	1,060
Additional paid-in capital	13,701,066	12,623,181
Retained earnings	22,562,205	20,355,545

Accumulated other comprehensive loss	(97,324)	(48,909)
Total stockholders' equity	36,167,014	32,930,877
Total liabilities and stockholders' equity	42,831,445	\$ 39,012,534

IRADIMED CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	\$ 7,376,785	\$ 5,524,364	\$ 14,484,936	\$ 10,686,924
Cost of revenue	1,710,890	1,234,314	3,402,425	2,621,932
Gross profit	5,665,895	4,290,050	11,082,511	8,064,992
Operating expenses:				
General and administrative	2,078,356	2,189,925	4,381,888	4,297,182
Sales and marketing	1,516,044	1,323,539	3,161,980	2,688,315
Research and development	395,988	449,011	775,814	990,301
Total operating expenses	3,990,388	3,962,475	8,319,682	7,975,798
Income from operations	1,675,507	327,575	2,762,829	89,194
Other income, net	27,838	21,138	67,910	50,662
Income before provision for income taxes	1,703,345	348,713	2,830,739	139,856
Provision for income tax expense (benefit)	348,377	(8,360)	634,575	16,123
Net income	\$ 1,354,968	\$ 357,073	\$ 2,196,164	\$ 123,733
Net income per share:				
Basic	\$ 0.13	\$ 0.03	\$ 0.21	\$ 0.01
Diluted	\$ 0.11	\$ 0.03	\$ 0.18	\$ 0.01
Weighted average shares outstanding:				
Basic	10,651,619	10,687,746	10,630,123	10,714,215
Diluted	12,011,475	11,727,473	11,953,486	11,764,747

IRADIMED CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2018	2017
Operating activities:		
Net income	\$ 2,196,164	\$ 123,733
Adjustments to reconcile net income to net cash provided by operating activities:		

Change in allowance for doubtful accounts	12,137	(6,611)
Change in provision for excess and obsolete inventory	73,581	23,659
Depreciation and amortization	830,163	632,813
Write-off of non-trade accounts receivable	-	205,444
Stock-based compensation	858,408	821,803
Deferred income taxes, net	(167,401)	(297,619)
Loss on maturities of investments	1,100	6,520
Changes in operating assets and liabilities:		
Accounts receivable	(214,896)	(210,662)
Inventory	(300,990)	(371,912)
Prepaid expenses and other current assets	(849,413)	(375,040)
Other assets	(20,316)	(1,928)
Accounts payable	(56,199)	(408,868)
Accrued payroll and benefits	(175,946)	66,803
Other accrued taxes	(46,810)	(31,529)
Warranty reserve	(262)	(1,012)
Deferred revenue	527,305	783,466
Accrued income taxes, net of prepaid income taxes	439,084	(852,171)
Net cash provided by operating activities	3,105,709	106,889
Investing activities:		
Purchases of investments	(918,417)	(1,321,257)
Proceeds from maturities of investments	830,000	2,270,004
Purchases of property and equipment	(105,328)	(411,200)
Capitalized intangible assets	(6,545)	(9,214)
Net cash (used in) provided by investing activities	(200,290)	528,333
Financing activities:		
Proceeds from stock option exercises	235,080	49,459
Taxes paid related to net share settlement of equity awards	(15,596)	(44,742)
Purchases of treasury stock	-	(1,553,193)
Net cash provided by (used in) financing activities	219,484	(1,548,476)
Net increase (decrease) in cash and cash equivalents	3,124,903	(913,254)
Cash and cash equivalents, beginning of period	18,205,976	17,713,871
Cash and cash equivalents, end of period	\$ 21,330,879	\$ 16,800,617

IRADIMED CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Non-GAAP Net Income and Diluted EPS

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Net income	\$ 1,354,968	\$ 357,073	\$ 2,196,164	\$ 123,733
Excluding:				

Stock-based compensation expense, net of tax expense		332,401	295,277	646,162	545,221
Non-GAAP net income				2,842,32	668,95
	\$	1,687,369	\$ 652,350	\$ 6	\$ 4
Weighted-average shares outstanding - diluted			11,727,4	11,953,4	11,764,7
		12,011,475	73	86	47
Non-GAAP net income per share - diluted	\$	0.14	\$ 0.06	\$ 0.24	\$ 0.06

Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	1,521,81			
Net cash provided by operating activities	\$ 9	\$ 291,534	\$ 3,105,709	\$ 106,889
Less:				
Purchases of property and equipment	67,345	170,800	105,328	411,200
Free cash flow	1,454,47			
	\$ 4	\$ 120,734	\$ 3,000,381	\$ (304,311)

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